

AN ORDINANCE AMENDING CHAPTER 25, ARTICLE VII, STREET MAINTENANCE FEE, OF THE CODE OF ORDINANCES OF THE CITY OF KILLEEN; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the City of Killeen, Texas is a home-rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and,

WHEREAS, the City Council of the City of Killeen deems the continued operation and functionality of the City's transportation infrastructure to be of vital importance to the protection of the public health, safety, and welfare of its citizens; and,

WHEREAS, the Street Maintenance Fee ordinance provides for regular review to update as necessary the cost of street maintenance; and,

WHEREAS, the City of Killeen desires to adequately provide for street maintenance;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS:

SECTION I. That Chapter 25, Article VII of the City of Killeen Code of Ordinances is hereby amended by adding the following sections to read as follows:

ARTICLE VII. STREET MAINTENANCE FEE

Sec. 25-225. Definitions.

In this article:

Benefitted property means a residence; a business; or a lot or parcel on which improvements have been constructed and that generates motor vehicle trips.

Monthly street maintenance cost per unit means the annual cost of street maintenance ~~and operations~~ including related materials, supplies, contracted treatments,

pavement, concrete, ~~and signs, signals, markings, salaries, and equipment~~, and not including capital expenses such as existing debt or any new construction, divided by the total number of single family equivalents divided by twelve (12) months. The total number of single-family equivalents is total units within the city multiplied by each corresponding single-family equivalent.

Nonresidential benefitted property means benefitted property not defined as residential benefitted property under this article. Nonresidential property shall include, but not be limited to, property being used for the following purposes: commercial, industrial, institutional, lodging, medical, office, or religious.

Residential benefitted property means a single-family residence, modular home, townhouse, two-family housing, multi-family housing, mobile home, travel trailer, or manufactured home.

Street maintenance fee means the fee established by this article.

Transportation system means the structures, streets, rights-of-way, bridges, alleys, and other facilities within the city limits that are dedicated to the use of vehicular traffic; ~~and the maintenance and repair of those facilities; and the operation and administration of such maintenance and repair.~~

Sec. 25-226. Creation of street maintenance special revenue fund; audit.

A separate fund, within the city's fund structure, shall be created as of the effective date of the ordinance, known as the Street Maintenance Special Revenue Fund, for the purpose of maintenance of the transportation system.

Such street maintenance revenues shall be used only for maintenance ~~and operations~~ costs of the transportation system. Money from sources other than the street maintenance fee may be deposited in the street maintenance special revenue fund. An expenditure from the street maintenance special revenue fund need not specifically relate to the property of a particular user from whom the street maintenance fee was collected.

The street maintenance special revenue fund shall be audited twice annually, once by the city's internal auditor and once by the external auditor. Audits should occur approximately six (6) months apart, as feasible.

Section 25-227. Administration; calculation of street maintenance costs; review.

The city manager, or designee, shall be responsible for the administration of this ordinance including, but not limited to, creating a policy for the administration of the street maintenance fund and the street maintenance fee; enacting any procedures necessary for the administration of the street maintenance fees and the consideration of

petitions for exemption or adjustment; developing maintenance programs; and establishing transportation system criteria and standards for the operation of maintenance of the transportation system.

The estimated annual cost ~~to provide of the city's street maintenance at a level adequate to maintain the current pavement condition and operations is six-four million two hundred eighty-two-one thousand six hundred forty dollars~~ (~~\$(46,280,221,00640.00)~~). The total single-family equivalents within the city limits equal ~~ninety-eighty thousand two hundred seventy-seven and fifty-seven hundredths~~ (~~90,277.5780,077.56~~). The monthly street maintenance cost per unit is ~~six-three dollars and forty-nine-five-seven cents~~ (~~\$(3.956.47)~~). (~~\$(4,280,000.006,221,640.00/90,277.5780,077.56/12 months = \$3.956.47)~~)

The annual street maintenance ~~and operations costs~~ and total single-family equivalents above shall be reviewed ~~annually every three (3) years~~ and updated as needed. A road condition survey shall be conducted every three (3) years.

Sec. 25-229. Fee established.

The city council hereby establishes a street maintenance fee intended to fund approximately ~~forty-three-twenty-six and 35-04 hundredths~~ (~~43.04,35~~) percent of annual street maintenance ~~and operations costs~~. The street maintenance fee shall be calculated as ~~provided herein set at \$1.70 per single-family equivalent. (\$3.95 x .4304 = \$1.70)~~. The street maintenance fee shall be ~~and be~~ paid by each City of Killeen utility customer within the city limits of Killeen, Texas.

Sec. 25-230. Calculation of Fee.

The street maintenance fee shall be calculated using the following formula:

$$\frac{\text{Monthly Street Maintenance Cost per unit}}{\text{Family Equivalent}} \times \text{Number of Units} \times \text{Single-Family Equivalent} \times \text{Percentage Funded by Fee} = \text{Monthly Bill}$$

For example, a similarly situated customer shall pay an amount equal to the following each month:

$$\text{Single-family: } \$1.706.47 \times 1 \text{ unit} \times 1 \times .2635 = \$1.70$$

$$\text{Multi-family (Low-Rise): } \$1.706.47 \times 4 \text{ units} \times .57 \times .2635 = \$3.8889$$

$$\text{Shopping Center: } \$1.706.47 \times 20 \text{ units (1 per 1,000 sq. ft.)} \times 2.07 \times .2635 = \$70.3858$$

SECTION II. That all ordinances or resolutions or parts of ordinances or resolutions in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

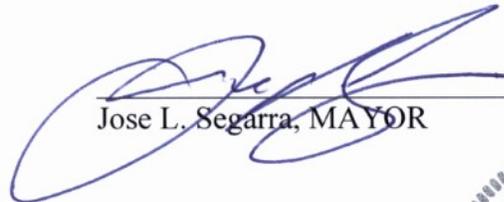
SECTION III. That should any section or part of any section, paragraph or clause of this ordinance be declared invalid or unconstitutional for any reason, it shall not invalidate or impair the validity, force or effect of any other section or sections or part of a section or paragraph of this ordinance.

SECTION IV. That the Code of Ordinances of the City of Killeen, Texas, as amended, shall remain in full force and effect, save and except as amended by this ordinance.

SECTION V. That this ordinance shall be effective on October 1, 2020.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this 4th day of August, 2020, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, §551.001 *et seq.*

APPROVED



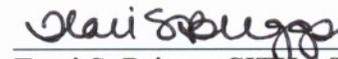
Jose L. Segarra, MAYOR

ATTEST:



Lucy C. Aldrich, CITY SECRETARY

APPROVED AS TO FORM:



Traci S. Briggs, CITY ATTORNEY



ORD 20-033
Date: 08/04/2020

CITY COUNCIL MEMORANDUM FOR ORDINANCE

DATE: August 4, 2020
TO: Kent Cagle, City Manager
FROM: Danielle Singh, Executive Director of Public Works
SUBJECT: Ordinance amendment providing for the update of the calculation of street maintenance costs and the street maintenance fee

BACKGROUND AND FINDINGS:

On December 11, 2018, the City Council approved Ordinance 18-045 establishing a Street Maintenance Special Revenue Fund and providing for the collection of street maintenance fees. The Ordinance calculates the street maintenance fee based on a percentage of the estimated maintenance needs, as well as, the operation and administration of such maintenance and repair.

This amendment would calculate the street maintenance fee based on a percentage of the estimated annual cost to provide street maintenance at a level adequate to maintain the current pavement condition. This cost would be updated every three years in conjunction with the road condition survey.

Recently, a road condition survey was completed establishing the current street condition index at 76. Based on the results of this survey, the estimated annual cost to maintain the City's streets at the current street condition index is \$4,280,000.00.

Street Maintenance Fees are charged based on a land use's impact to the transportation system in relation to the impact of a single-family home. Single Family Equivalents rates have been established for 77 different land uses. The total number of Single-Family Equivalents in the City is currently 90,277.57.

The monthly street maintenance cost per Single-Family Equivalent is \$3.95 (\$4,280,000/90,277.57/12 months). The Street Maintenance Fee is established as a percentage of the monthly street maintenance cost per Single-Family Equivalent. In order to maintain the fee at the currently monthly rate, the street maintenance fee would need to be established at 43.04% of the annual street maintenance costs. This would set the street maintenance fee at \$1.70 per Single-Family Equivalent (\$3.95 x 43.04%). The rate currently charged to customers would not change.

Another benefit of basing the street maintenance fee on the annual cost to maintain current pavement condition is clarity on the use of street maintenance fees collected. When the Street

Maintenance Fund was created, the Street Operations Division moved from the General Fund to the Street Maintenance Fund. The General Fund transfers funding into the Street Maintenance Fund to cover the cost of the Street Operations Division. The transfer and additional expenses of the Street Operations Division create a layer of complexity that is not necessary. The revised approach will move the Street Operations Division back to the General Fund, which will provide more transparency in the use of street maintenance fees collected and ensure fees collected are used for the intended purpose.

THE ALTERNATIVES CONSIDERED:

1. Do not amend the ordinance or make additional changes.
2. Amend the ordinance as written, allowing the revised calculation of street maintenance costs and the street maintenance fee.

Which alternative is recommended? Why?

Amend the ordinance as written, allowing the revised calculation of street maintenance costs and the street maintenance fee.

CONFORMITY TO CITY POLICY:

This item is in compliance with all applicable City Policies.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

N/A

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

City Staff recommends that the City Council amends the ordinance as written to allow for the revised calculation of street maintenance costs and the street maintenance fee.

DEPARTMENTAL CLEARANCES:

Finance, City Attorney